

CANADIAN PACIFIC RAILWAY LTD/CN
Form 6-K
April 20, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934**

For the month of April, 2012

CANADIAN PACIFIC RAILWAY LIMITED

(Commission File No. 1-01342)

CANADIAN PACIFIC RAILWAY COMPANY

(Commission File No. 1-15272)

(translation of each Registrant's name into English)

Edgar Filing: CANADIAN PACIFIC RAILWAY LTD/CN - Form 6-K

Suite 500, Gulf Canada Square, 401 - 9th Avenue, S.W., Calgary, Alberta, Canada, T2P 4Z4

(address of principal executive offices)

Indicate by check mark whether the registrants file or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrants are submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrants are submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

This Report furnished on Form 6-K shall be incorporated by reference into each of the following Registration Statements under the Securities Act of 1933 of the registrant: Form S-8 No. 333-140955 (Canadian Pacific Railway Limited), Form S-8 No. 333-127943 (Canadian Pacific Railway Limited) and Form S-8 No. 333-13962 (Canadian Pacific Railway Limited).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CANADIAN PACIFIC RAILWAY LIMITED
(Registrant)

Date: April 20, 2012

Signed: /s/ Karen L. Fleming
By: Name: Karen L. Fleming
Title: Corporate Secretary

CANADIAN PACIFIC RAILWAY COMPANY
(Registrant)

Date: April 20, 2012

Signed: /s/ Karen L. Fleming
By: Name: Karen L. Fleming
Title: Corporate Secretary

Release: Immediate April 20, 2012

CANADIAN PACIFIC ANNOUNCES FIRST-QUARTER 2012 RESULTS AND RECORD OPERATING PERFORMANCE METRICS

Continued Successful Execution of Multi-Year Plan Drives Enhanced Financial Results

CALGARY Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) announced its first-quarter 2012 results today with reported net income of \$142 million, an increase of \$108 million, or 318%, from the same period in 2011, and diluted earnings per share of \$0.82, an increase of \$0.62, or 310%, from the same period in 2011.

Fred Green, President & Chief Executive Officer, said, "Our record operating metrics are driving enhanced financial results, as evidenced by a strong first quarter performance. By aggressively executing on the Multi-Year Plan, CP delivered an increase in revenues of \$213 million and an improvement in operating ratio of 1,050 bps during the quarter.

"We have improved operating momentum, we are delivering excellent service and we have a stronger, more resilient rail network. This quarter, we generated an 18% year-over-year increase in freight revenues. Looking ahead, we are confident we can continue to deliver improvements in our operating metrics and financial performance and further growth in shareholder value.

FIRST-QUARTER 2012 RESULTS COMPARED WITH FIRST-QUARTER 2011

Total revenues were \$1.4 billion, an increase of \$213 million

Operating expenses were \$1.1 billion, an increase of \$48 million

Average fuel price increased 12% to \$3.50 U.S. dollars per U.S. gallon

Operating income was \$274 million, an increase of \$165 million

Operating ratio was 80.1%, an improvement of 1,050 basis points

Net income was \$142 million, an increase of \$108 million

Diluted earnings per share were \$0.82 per share, an increase of \$0.62 per share

OPERATING PERFORMANCE

Car miles per car day	2012 208	Q1 2012 vs. 2011 Improved 51%	Q1 2012 vs. 2010 Improved 40%
Terminal dwell	(<i>Q1 record</i>) 17.3	Improved 27%	Improved 28%
(hours) Active cars online	(<i>Q1 record</i>) 39.8	Improved 28% with 11% increase in business levels	Improved 26%
(thousands) Fuel efficiency	1.23	Improved 6%	Effectively tied with record in Q1 2010
(U.S. gallons of fuel consumed/ 1,000 GTMs) Employee productivity	4.2	Improved 5%	Effectively tied with record in Q1 2010
(million GTMs/expense employee)			

MULTI-YEAR PLAN

CP's Multi-Year Plan is specifically designed to unlock the potential of this franchise and enable profitable growth and efficiency. During the first-quarter, CP continued to successfully execute on all three pillars of the Multi-Year Plan, driving volume growth, expanding network capacity to safely and efficiently support higher volumes and controlling costs. The CP Board and management team is confident in the Company's Plan and its goal of delivering a 70% to 72% operating ratio for 2014, and an operating ratio of between 68.5% to 70.5% for 2016, said Fred Green.

CONFERENCE CALL INFORMATION

CP will discuss its results with analysts in a conference call beginning at 11:00 a.m. Eastern

time (9:00 a.m. Mountain time) on April 20, 2012.

Toronto/International participants dial in number: (647) 427-7450

Operator assisted toll free dial in number: 1-888-231-8191

Callers should dial in 10 minutes prior to the call.

WEBCAST

For those with Internet access we encourage you to listen via CP's website at www.cpr.ca. To access the webcast and the presentation material, click on "Invest In CP" tab.

A replay of the conference call will be available by phone through May 18, 2012 at (416) 849-0833 or toll free 1-855-859-2056, passcode 63620027. A webcast of the presentation and an audio file will be available at www.cpr.ca under "Invest In CP" tab.

Note on Forward-Looking Information

This news release contains certain forward-looking information within the meaning of applicable securities laws relating, but not limited, to our operations, priorities and plans, anticipated financial performance, business prospects, planned capital expenditures, programs and strategies. This forward-looking information also includes, but is not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking information may contain statements with words such as anticipate, believe, expect, plan or similar words suggesting future outcomes.

Undue reliance should not be placed on forward-looking information as actual results may differ materially from the forward-looking information. Forward-looking information is not a guarantee of future performance. By its nature, CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking information, including but not limited to the following factors: changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labour disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions and discount rates on the financial position of pension plans and investments, including long-term floating rate notes; and various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and governmental response to them, and technological changes. The foregoing list of factors is not exhaustive.

These and other factors are detailed from time to time in reports filed by CP with securities regulators in Canada and the United States. Reference should be made to Management's Discussion and Analysis in CP's annual and interim reports, Annual Information Form and Form 40-F. Readers are cautioned not to place undue reliance on forward-looking information. Forward-looking information is based on current expectations, estimates and projections and it is possible that predictions, forecasts, projections, and other forms of forward-looking information will not be achieved by CP. Except as required by law, CP undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.

About Canadian Pacific

Canadian Pacific (TSX:CP)(NYSE: CP) operates a North American transcontinental railway providing freight transportation services, logistics solutions and supply chain expertise. Incorporating best-in-class technology and environmental practices, CP is re-defining itself as a modern 21st century transportation company built on safety, service reliability and operational efficiency. Visit www.CPonTrack.com and see how Canadian Pacific is further driving shareholder value.

Contacts:

Media

Ed Greenberg

Tel.: 612-849-4717

24/7 Media Pager: 855-242-3674

email: Ed_greenberg@cpr.ca

Investment Community

Janet Weiss

Tel.: 403-319-3591

email: investor@cpr.ca

Joele Frank, Wilkinson Brimmer Katcher

Joele Frank / Tim Lynch / Jed Repko

Tel.: 212-355-4449

CANADIAN PACIFIC RAILWAY LIMITED

CONSOLIDATED STATEMENTS OF INCOME

(in millions of Canadian dollars, except per share data)

(unaudited)

	For the three months	
	ended March 31	
	2012	2011
Revenues		
Freight	\$ 1,340	\$ 1,135
Other	36	28
Total revenues	1,376	1,163
Operating expenses		
Compensation and benefits	391	364
Fuel	269	226
Materials	64	72
Equipment rents	50	51
Depreciation and amortization	127	122
Purchased services and other (Note 10)	201	219
Total operating expenses	1,102	1,054
Operating income	274	109
Less:		
Other income and charges	13	(1)
Net interest expense	69	64
Income before income tax expense	192	46
Income tax expense (Note 3)	50	12
Net income	\$ 142	\$ 34
Earnings per share (Note 4)		
Basic earnings per share	\$ 0.83	\$ 0.20
Diluted earnings per share	\$ 0.82	\$ 0.20
Weighted-average number of shares (millions)		
Basic	170.5	169.3
Diluted	172.0	170.7
Dividends declared per share	\$ 0.3000	\$ 0.2700

See Notes to Consolidated Financial Statements.

CANADIAN PACIFIC RAILWAY LIMITED**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(in millions of Canadian dollars)****(unaudited)**

	For the three months ended March 31	
	2012	2011
Net income	\$ 142	\$ 34
Net gain on foreign currency translation adjustments, net of hedging activities	5	2
Change in derivatives designated as cash flow hedges	10	4
Change in pension and post-retirement defined benefit plans	54	36
Other comprehensive income before income taxes	69	42
Income tax expense	(24)	(20)
Other comprehensive income	45	22
Comprehensive income	\$ 187	\$ 56

See Notes to Consolidated Financial Statements.

CANADIAN PACIFIC RAILWAY LIMITED**CONSOLIDATED BALANCE SHEETS**

(in millions of Canadian dollars)

(unaudited)

	March 31 2012	December 31 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 77	\$ 47
Accounts receivable, net	526	518
Materials and supplies	171	138
Deferred income taxes	187	101
Other current assets	67	52
	1,028	856
Investments	135	167
Net properties	12,743	12,752
Goodwill and intangible assets	188	192
Other assets	142	143
Total assets	\$ 14,236	\$ 14,110
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowing	\$	\$ 27
Accounts payable and accrued liabilities	1,059	1,133
Long-term debt maturing within one year	51	50
	1,110	1,210
Pension and other benefit liabilities (Note 8)	1,312	1,372
Other long-term liabilities	353	365
Long-term debt (Note 5)	4,681	4,695
Deferred income taxes	1,954	1,819
Total liabilities	9,410	9,461
Shareholders' equity		
Share capital	1,909	1,854
Additional paid-in capital	72	86
Accumulated other comprehensive loss	(2,691)	(2,736)
Retained earnings	5,536	5,445
	4,826	4,649
Total liabilities and shareholders' equity	\$ 14,236	\$ 14,110

Commitments and contingencies (Note 9)

See Notes to Consolidated Financial Statements.

CANADIAN PACIFIC RAILWAY LIMITED**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions of Canadian dollars)

(unaudited)

	For the three months ended March 31	
	2012	2011
Operating activities		
Net income	\$ 142	\$ 34
Reconciliation of net income to cash provided by operating activities:		
Depreciation and amortization	127	122
Deferred income taxes	46	8
Pension funding in excess of expense <i>(Note 8)</i>	(7)	(11)
Other operating activities, net	(29)	2
Change in non-cash working capital balances related to operations	(78)	(20)
Cash provided by operating activities	201	135
Investing activities		
Additions to properties	(233)	(133)
Proceeds from sale of properties and other assets <i>(Note 6)</i>	45	6
Other	(1)	
Cash used in investing activities	(189)	(127)
Financing activities		
Dividends paid	(51)	(46)
Issuance of common shares	38	9
Issuance of long-term debt <i>(Note 5)</i>	71	
Repayment of long-term debt	(12)	(12)
Net decrease in short term borrowings	(27)	
Cash provided by (used in) financing activities	19	(49)
Effect of foreign currency fluctuations on U.S. dollar-denominated cash and cash equivalents	(1)	(9)
Cash position		
Increase (decrease) in cash and cash equivalents	30	(50)
Cash and cash equivalents at beginning of period	47	361
Cash and cash equivalents at end of period	\$ 77	\$ 311
Supplemental disclosures of cash flow information:		
Income taxes paid	\$ 4	\$
Interest paid	\$ 51	\$ 49
See Notes to Consolidated Financial Statements.		

CANADIAN PACIFIC RAILWAY LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of Canadian dollars, except common share amounts)

(unaudited)

Common shares (in millions)	Share capital	Additional paid-in capital	Accumulated other comprehensive loss
--	--------------------------	---	---